



# U.S. Immigration and Customs Enforcement

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**STATEMENT**

**OF**

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**U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT  
DEPARTMENT OF HOMELAND SECURITY**

**BEFORE THE**

**COMMITTEE ON ENERGY AND COMMERCE  
OVERSIGHT AND INVESTIGATIONS**

**HOUSE OF REPRESENTATIVES**

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## INTRODUCTION

Chairman Whitfield, Ranking Member Stupak, and distinguished Members of the Energy and Commerce Oversight and Investigations Subcommittee, my name is James Plitt and I am the Chief of the Cyber Crimes Center at the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE). I appreciate the opportunity to present an understanding of ICE's authorities and responsibilities with respect to investigating international commercial child exploitation websites.

## THE COMMERCIAL ONLINE CHILD EXPLOITATION ENVIRONMENT

The ICE Cyber Crimes Center (C3) is responsible for investigating violations of immigration and customs laws that occur in cyberspace, including trans-border sexual exploitation of children over the Internet. When ICE investigates the online sexual exploitation of children, we focus on three components of the Internet: international commercial and non-commercial websites, international Peer-to-Peer groups, and international Internet Relay Chat.

Criminal organizations increasingly use the Internet to internationally advertise, distribute, and receive electronic contraband, specifically images of child exploitation. In doing so, they are reaping enormous profits from the sale of access to websites containing these images. To stop the proliferation of international commercial child exploitation websites, C3 dedicates substantial investigative resources to identifying and dismantling the criminal organizations responsible for such sites and the exploitation from which they profit.

Although it is difficult to determine the exact number of websites offering images of child sexual exploitation, observations from ICE investigations generally support the statistics of non-governmental organizations like the National Center for Missing and Exploited Children, which estimates that more than 100,000 such websites exist, more than 1,000 of which are commercial in nature. Among members-only websites, there is a tremendously high rate of duplication, with many identical or noticeably similar sites operated by the same individuals. Furthermore, we often encounter 10 to 15 different advertising websites operated by the same individuals, all of which link to the same members-only website. This renders an accurate count of websites depicting child exploitation especially difficult to obtain.

Recent investigations, including ICE's unprecedented Operation Falcon, have revealed a common methodology that criminal organizations use to commercially distribute images of child exploitation around the world. Typically, the organization consists of at least three component groups. The first of these groups includes the individuals responsible for uploading and maintaining the advertising and payment websites. These websites provide willing customers the opportunity to purchase Internet access to websites with a large volume of child exploitation images. The second group consists of individuals who facilitate the payment process. ICE has identified the following online payment methods used by international commercial child exploitation organizations: e-Gold, PayPal, Western Union, and traditional credit card-based merchants. We believe there are subgroups within this second group with responsibility for exploiting each type of

international Internet payment method. They remain attentive to the development and availability of new financial methods. The third group consists of those who control the overall criminal organization, decide which payment method will be used in a given situation, determine the content of the members-only child exploitation website, and direct the laundering and distribution of the proceeds.

ICE's Internet child exploitation investigations have revealed that many of those who control and profit from these electronic images are located in Eastern Europe and former Soviet countries. Furthermore, there is likely some overlap within these organizations because of the ease with which the three groups described earlier can provide their services to multiple organizations at any given time. For example, an organized payment facilitator can easily accept payments from multiple advertising websites for access to multiple members-only websites. A website that advertises access to members-only child exploitation websites is easy to upload to Internet web servers and can be operational at multiple locations within one day. Payment websites have a similar structure and are easy to operate, whereas members-only websites are much larger and more difficult to upload. Generally the same members-only website is uploaded on one Internet web server and allowed to operate for 30 days, after which its operators remove it from the server and upload it to a different server.

## CONCLUSION

C3 is dedicated to identifying all individuals involved in international criminal organizations and component groups that conduct every activity associated with

international, commercial child exploitation websites. This includes those who advertise specific members-only websites, those who facilitate customer payments, those who control the members-only websites, and those who ultimately receive the proceeds from the sale of child exploitation images. With our expertise in money laundering investigations, we are working diligently to identify and dismantle the international criminal organizations that operate these commercial child exploitation websites, as well as to identify their many subscribers. ICE coordinates closely with the Internet Crimes Against Children Task Forces, various elements of the Department of Justice's Project Safe Childhood initiative, and non-governmental organizations like the National Center for Missing and Exploited Children to maximize the effect of these international investigations and thereby protect this nation's most valuable resource, our children.

I hope my remarks today have been helpful and informative. I thank you for inviting me and I will be glad to answer any questions you may have at this time.